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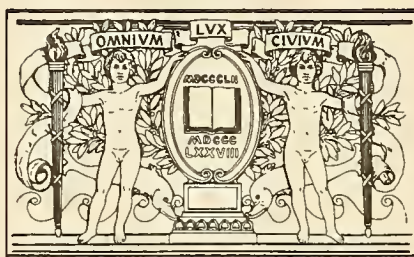


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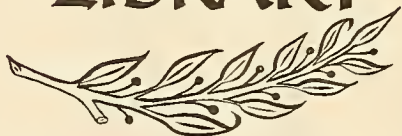


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CITY OF BOSTON



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April 28, 1969

To the Honorable the Mayor and City Council:

Because of the current interest, public discussion and far-reaching implications of the proposed bicentennial exposition in Boston in 1976, this Commission has reviewed studies of the Expo Boston 76 Corporation plans made by various consultants. Among the areas considered were the following:

- (1) the merits of the plan
- (2) the economic impact and stimulus on employment patterns of the City and the State
- (3) the benefits to the City and the State
- (4) the permanent facilities to be inherited by the City and their re-use
- (5) the development of recreational facilities
- (6) the effect on the tax structure
- (7) the proposed method of funding

The purpose of initiating this review was to determine if the location of the Exposition in Boston would be in the best interests of the City and the State.

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Journal of Management Education 30(6)p.789-804

Journal of Management Studies, 19(1), 67-80.

Massive expenditures of funds are necessary to build and operate any international exposition. In order to justify such expenditures--especially when a good portion of these expenditures must come from the public sector--the end result must be something more than a gigantic party. Expo Boston's plan would not only have the exposition serve as an "urban laboratory" during the exposition period, but of greater importance locally, it would also leave behind the beginning of a permanent new harbor community for the City of Boston.

We consider both these ends to be of great merit for these reasons:

First, solution of major urban problems which are crippling our cities today must be found if the city is to survive; and

Second, the City of Boston is in desperate need of new land, new recreation facilities, new housing facilities, new properties to broaden its shrinking tax base, and in particular new housing facilities for the elderly and others on fixed incomes.

Expo Boston 76 has laid down the following conditions under which they are proceeding:

(1) Total taxpayer investment from the City of Boston will not be more than 15% of total development costs or \$75,000,000;

(2) The State's investment will not exceed 35%, or \$175,000,000;

(3) The Federal Government's share of the total costs must be 50%, or \$250,000,000.

Under the Expo Boston plan, the City would borrow the \$75,000,000 over a six-year period for development of the site.

If the proposed land and buildings erected for the exposition are liquidated properly at the end of the Exposition, there is good reason to believe that the \$75,000,000 investment by the City and the \$175,000,000 investment by the State will be completely recovered.

What is envisioned in the exposition/new community plan proposed by Expo Boston is a totally integrated new community which is more than just a housing development. The initial housing (to accommodate up to 30,000 exposition visitors during 1976) will be able to handle at least 10,000 families after the exposition. Some of this obviously should be subsidized housing for the elderly under the control of the City. But if the present planning concept is followed, there will also be a mix of middle and upper-income housing which can be sold or leased to private groups, thus providing new property tax revenues for Boston, currently projected at \$12 million annually.

Taxable property will also be created when structures and pavilions used by commercial, institutional, and international exhibitors during the exposition are converted to permanent commercial or light industrial use by private organizations.

The Commission has been particularly impressed by the fact that most of the 690-acre site proposed to house the exposition/new community will be on land which today is non-existent. Some 400 acres will be created by landfill and a system of pier-platforms. A third system of land creation proposed would consist of "floating" or "flexible" platforms. Because of the experimental nature of this

latter concept, the Commission is unwilling to speculate on its value as real property. But the rest of the plan, is entirely feasible and can add needed new space to the City of Boston. Of particular importance is the fact that the construction of the grounds will not entail the razing of existing neighborhoods with resultant displacement of citizens and of existing taxable, income-producing properties.

In addition, the proposal put forth by Expo Boston will create new resources for recreational purposes. Boston today has very limited recreation space. Bridging the channel from Columbia Point to Thompson Island will bring the 150-acre island within reach of all of the people of the City, thereby providing more green space, more beaches, and more park facilities for Boston.

The plan to utilize water as open space for the exposition/new community will create more moorings and marina facilities for Boston's growing boating population. The construction of new fishing piers on the site will add even more to the recreational facilities.

All totaled, the new open space-recreation area planned for the site will amount to about 351 acres. This in-and of itself a major contribution to a City which today has too little to offer in this area.

The in-depth report recently completed for Expo Boston by Arthur D. Little is of particular importance in estimating the monetary impact upon Boston.



Inherent in every exposition is the fact that it does in many ways stimulate the economy of the host city and of the region. (This is true whether or not the exposition is a "success" as in Seattle in 1962 and Montreal in 1967; or a "failure" as in New York in 1964-65 and San Antonio in 1968).

First, construction and operation of an exposition mean the creation of new jobs. According to the ADL report, total employment in the Greater Boston Area will increase by approximately 148,000 generating an increase of \$657.7 million in new personal income for Greater Boston residents.

Breakdown of the \$2.2 billion in direct visitor spending which ADL projects because of Expo Boston is as follows: \$400 million at the exposition site; \$1.3 billion additional in the Greater Boston Area; an additional \$200 million in the rest of Massachusetts and an additional \$200 million in the rest of New England.

The ADL team reports that the exposition would result in two times the current tourist spending in the Commonwealth and seven to eight times the amount currently spent in Boston.

Major categories of expenditures in Greater Boston are for: (1) meals (\$644 million); overnight accommodations (\$467 million); entertainment and attractions (\$259 million); transportation (\$118 million); retail purchases (\$128 million); parking, admissions and other (\$71 million).

Second, new employment and new income mean new tax revenue. Massachusetts will benefit from Expo in the amount of approximately

\$136 million in tax receipts, primarily from income, sales, meals, room occupancy and gasoline taxes. Tax receipts resulting from construction of the exposition site will be generated during the entire period of construction, but will increase rapidly beginning about 1972-73, and reach a peak in 1975. According to the ADL report, the State will receive an estimated \$25.3 million in additional tax revenue during construction of Expo 76.

Re-use of the exposition site for a new community after the Exposition closes will generate additional property tax revenue for the City of Boston.

Boston Expo 76 has been critized by some on the basis that it would result in a significant increase in the Boston tax Rate. Justification for this is based upon a recent increase in the tax rate for the City of Montreal. The Commission is of the opinion that neither the proponents or opponents of Expo can at this time properly make such a prognosis. The Montreal tax rate rose because of a number of factors almost all of which had no relation to the Montreal Fair. Included in these factors were increased costs for municipal employees and equipment, increased number of city employees, and an expenditure of \$3 million over the normal expenditure for snow removal, and increased costs related to the operation of the Metro system.

The Finance Commission, while obviously interested in the broad questions of pollution abatement and protection of the marine ecology of the proposed exposition site, is not in a position to make any firm judgments in these fields. However, during the course

of this investigation, the Commission found ample evidence that the Expo Boston 76 Corporation has been devoting a great deal of time and attention to these critical matters. It is apparent that their approach has been careful and that--given the guidance of the Massachusetts Institute of Technology and other consultants--Expo Boston will, in fact, prove to be a major factor in accelerating abatement of existing harbor pollution.

Under the plan as presently proposed Expo Boston 76 can be one of the biggest factors in the continued healthy growth of the economies of the Commonwealth and the City. It will have a major positive impact on every sector of the economy and will leave a rich legacy in the form of the proposed new community.

Respectfully submitted,

John Larkin Thompson, Chairman,

Joseph P. McNamara,

Russell S. Codman, Jr.,

Frederick R. H. Witherby,

Rev. James P. Breeden,

THE FINANCE COMMISSION

Thomas J. Murphy
Executive Secretary

